



September 15, 2020

**VIA ELECTRONIC MAIL**

Mr. Stephen Bart Fletcher, Chief of Surveillance and Rate Filings  
Division of Accounting and Finance  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

**Re: Florida Public Utilities Company and Florida Division of Chesapeake Utilities Corporation (Gas Divisions and Electric Division) 2nd Quarter 2020 Surveillance Reports**

Dear Ms. Cornelius:

In accordance with Rules 25-6.1352 and 25-7.1352(3), F.A.C, Florida Public Utilities Company and the Florida Division of Chesapeake Utilities Corporation hereby submit their 2nd Quarter Earnings Surveillance Reports for 2020 for all Electric and Gas Divisions.

As always, please don't hesitate to let me know if you have any questions whatsoever.

Sincerely,

Beth Keating  
Gunster, Yoakley & Stewart, P.A.  
215 South Monroe St., Suite 601  
Tallahassee, FL 32301  
(850) 521-1706

cc: Shari Cornelius  
Curt Mouring

FLORIDA PUBLIC UTILITIES COMPANY  
 FI. MADE DIVISION  
 RATE OF RETURN REPORT SUMMARY  
 June 30, 2020

SCHEDULE 1

	(1) ACTUAL PER BOOKS (JURISDICTIONAL)	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
I. AVERAGE RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ (35,864)	\$6,739	(\$29,125)	\$ (35,924)	(\$65,049)
AVERAGE RATE BASE	\$1,125,842	\$0	\$1,125,842	\$428,357	\$1,554,199
AVERAGE RATE OF RETURN	-3.19%		-2.59%		-4.19%
II. YEAR-END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	(\$35,864)	\$6,739	(\$29,138)	(\$35,924)	(\$65,062)
YEAR-END RATE BASE	\$1,186,638	\$0	\$1,186,638	\$404,560	\$1,591,198
YEAR-END RATE OF RETURN	-3.02%		-2.46%		-4.09%

III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)	IV. EARNED RETURN ON EQUITY (FPSC ADJUSTED BASIS)	A. RETURN ON COMMON EQUITY
LOW	4.59%	-11.69%
MIDPOINT	4.92%	
HIGH	5.25%	

I am aware that Section 837.06, Florida Statutes, provides:  
 Whoever knowingly makes a false statement in writing with the  
 intent to mislead a public servant in the performance of his official  
 duty shall be guilty of a misdemeanor of the second degree punishable  
 as provided in s. 775.082, s. 775.083, or s. 775.084.

Mike Cassel  
 Director, Regulatory Affairs

*Michael Cassel*  
 Signature

9/11/20  
 Date

FLORIDA PUBLIC UTILITIES COMPANY  
 FT. MEADE DIVISION  
 AVERAGE RATE OF RETURN  
 For the 12 Months Ending June 30, 2020  
 RATE BASE

	(1) PLANT IN SERVICE	(2) ACCUMULATED DEPRECIATION & AMORTIZATION	(3) PLANT IN SERVICE	(4) NET PROPERTY HELD FOR FUTURE USE	(5) CONSTRUCTION WORK IN PROGRESS	(6) NET UTILITY PLANT	(7) WORKING CAPITAL	(8) TOTAL RATE BASE
PER BOOKS	\$ 1,184,900	\$ (193,653)	\$ 991,247	\$ -	\$ 47,353	\$ 1,038,600	\$ 87,242	\$ 1,125,842
FPSC ADJUSTMENTS:								
REMOVE CONS. & PGA UNDER-RECOVERY			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL FPSC ADJUSTMENTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FPSC ADJUSTED	\$ 1,184,900	\$ (193,653)	\$ 991,247	\$ -	\$ 47,353	\$ 1,038,600	\$ 87,242	\$ 1,125,842
PROFORMA ADJUSTMENTS								
RECORD ACQUISITION ADJUSTMENT	\$ 713,930	\$ (295,573)	\$ 428,357	\$ -	\$ -	\$ 428,357	\$ -	\$ 428,357
TOTAL PROFORMA ADJUSTMENTS	\$ 713,930	\$ (295,573)	\$ 428,357	\$ -	\$ -	\$ 428,357	\$ -	\$ 428,357
PROFORMA ADJUSTED	\$ 1,898,830	\$ (479,225)	\$ 1,419,604	\$ -	\$ 47,353	\$ 1,466,957	\$ 87,242	\$ 1,554,199

FLORIDA PUBLIC UTILITIES COMPANY  
 FT. MEADE DIVISION  
 AVERAGE RATE OF RETURN  
 For the 12 Months Ending June 30, 2020  
 INCOME STATEMENT

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	OPERATING REVENUES	O & M GAS EXPENSE	O & M OTHER	DEPRECC. & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	D.I.T. (NET)	I.T.C. (NET)	GAIN/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	OPERATING NET INCOME
PER BOOKS	\$ 258,273	\$ 19,086	\$ 208,666	\$ 27,653	\$ 46,764	\$ (8,032)	-	-	-	\$ 294,137	\$ (35,864)
FPSC ADJUSTMENTS:											
1) Interest Synchronization											
2) Elim. Economic Development Expense	\$ (14,842)		\$ (387)		\$ (74)	\$ 95				\$ (8,266)	\$ 6,266
3) Elim. Conservation Rev & Exp.	\$ (3,510)	\$ (14,768)			\$ 569	\$ 0				\$ (232)	\$ 292
4) Elim. PGA and Swing Revenues & Expense	\$ -	\$ (4,318)				\$ 59				\$ (14,842)	\$ 0
5) Refund of GRIP Tax Savings Out of Period	\$ -				\$ (324,756)	\$ -				\$ (3,950)	\$ 180
6) Elim. Rev Related Taxes	\$ (24,756)					\$ -				\$ (24,756)	\$ -
7) Protected Amortization Out of Period						\$ -				\$ -	\$ -
8) Unprotected Amortization Out of Period						\$ -				\$ -	\$ -
TOTAL FPSC ADJUSTMENTS	\$ (43,109)	\$ (19,086)	\$ (387)	\$ -	\$ (24,281)	\$ (6,113)	\$ -	\$ -	\$ -	\$ (49,847)	\$ 6,739
FPSC ADJUSTED	\$ 215,165	\$ -	\$ 208,279	\$ 27,653	\$ 22,503	\$ (14,145)	\$ -	\$ -	\$ -	\$ 244,290	\$ (29,125)
PROFORMA ADJUSTMENTS											
1) Amortize Acquisition Adjustment	\$ -	\$ -	\$ -	\$ 47,595	\$ -	\$ (11,671)	\$ -	\$ -	\$ -	\$ 35,924	\$ (35,924)
TOTAL PROFORMA ADJUSTMENTS	\$ -	\$ -	\$ -	\$ 47,595	\$ -	\$ (11,671)	\$ -	\$ -	\$ -	\$ 35,924	\$ (35,924)
PROFORMA ADJUSTED	\$ 215,165	\$ -	\$ 208,279	\$ 75,248	\$ 22,503	\$ (25,816)	\$ -	\$ -	\$ -	\$ 280,214	\$ (65,049)

FLORIDA PUBLIC UTILITIES COMPANY  
 FT. MEADE DIVISION  
 YEAR END RATE OF RETURN  
 For the 12 Months Ending June 30, 2020  
 RATE BASE

	(1) PLANT IN SERVICE	(2) ACCUMULATED DEPRECIATION & AMORTIZATION	(3) PLANT IN SERVICE	(4) NET PROPERTY HELD FOR FUTURE USE	(5) CONSTRUCTION WORK IN PROGRESS	(6) NET UTILITY PLANT	(7) WORKING CAPITAL	(8) TOTAL RATE BASE
PER BOOKS	\$ 1,252,203	\$ (196,394)	\$ 1,055,810	\$ -	\$ 51,333	\$ 1,107,143	\$ 79,496	\$ 1,186,639
FSPC ADJUSTMENTS:								
REMOVE CONS. & PGA UNDERRECOVERIES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL FSPC ADJUSTMENTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FSPC ADJUSTED	\$ 1,252,203	\$ (196,394)	\$ 1,055,810	\$ -	\$ 51,333	\$ 1,107,143	\$ 79,496	\$ 1,186,639
PROFORMA ADJUSTMENTS								
RECORD ACQUISITION ADJUSTMENT	\$ 713,930	\$ (309,370)	\$ 404,560	\$ -	\$ -	\$ 404,560	\$ -	\$ 404,560
TOTAL PROFORMA ADJUSTMENTS	\$ 713,930	\$ (309,370)	\$ 404,560	\$ -	\$ -	\$ 404,560	\$ -	\$ 404,560
PROFORMA ADJUSTED	\$ 1,966,133	\$ (505,764)	\$ 1,460,369	\$ -	\$ 51,333	\$ 1,511,702	\$ 79,496	\$ 1,591,198

FLORIDA PUBLIC UTILITIES COMPANY  
 FT. MEADE DIVISION  
 YEAR END RATE OF RETURN  
 For the 12 Months Ending June 30, 2020  
 INCOME STATEMENT

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	OPERATING REVENUES	O & M GAS EXPENSE	O & M OTHER	DEPREC. & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	D.I.T. (NET)	I.T.C. (NET)	GAIN/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
PER BOOKS	\$ 258,273	\$ 19,086	\$ 208,668	\$ 27,653	\$ 46,764	\$ (8,032)	-	-	-	\$ 294,137	\$ (35,864)
FPSC ADJUSTMENTS:											
1) Interest Synchritization						(\$6,253)					\$ 6,253
2) Elim. Economic Development Expense	\$ (14,842)	\$ (14,768)	\$ (387)		\$ (74)	95				\$ (292)	\$ 292
3) Elim. Conservation Rev. & Exp.	\$ (3,510)	\$ (4,318)			\$ 569	0				\$ (14,842)	\$ 0
4) Elim. Pga. and Swing Revenues & Expense	\$ -	\$ -			\$ -	59				\$ (3,690)	\$ 180
5) Refund of GRIP Tax Savings Out of Period	\$ -	\$ -			\$ -	-				\$ -	\$ -
6) Elim. Rev Related Taxes	\$ (24,756)	\$ -			\$ (24,756)	-				\$ (24,756)	\$ -
7) Protected Amortization Out of Period	\$ -	\$ -			\$ -	-				\$ -	\$ -
8) Protected Amortization Out of Period	\$ -	\$ -			\$ -	-				\$ -	\$ -
TOTAL FPSC ADJUSTMENTS	\$ (43,109)	\$ (19,086)	\$ (387)	\$ -	\$ (24,261)	\$ (6,100)	\$ -	\$ -	\$ -	\$ (49,834)	\$ 6,726
FPSC ADJUSTED	\$ 215,165	\$ 0	\$ 208,279	\$ 27,653	\$ 22,503	\$ (14,132)	\$ -	\$ -	\$ -	\$ 244,303	\$ (29,138)
PROFORM ADJUSTMENTS											
1) Amortize Acquisition Adjustment	\$ -	\$ -	\$ -	\$ 47,595	\$ -	\$ (11,671)	\$ -	\$ -	\$ -	\$ 35,924	\$ (35,924)
TOTAL PROFORM ADJUSTMENTS	\$ -	\$ -	\$ -	\$ 47,595	\$ -	\$ (11,671)	\$ -	\$ -	\$ -	\$ 35,924	\$ (35,924)
PROFORM ADJUSTED	\$ 215,165	\$ 0	\$ 208,279	\$ 75,248	\$ 22,503	\$ (25,803)	\$ -	\$ -	\$ -	\$ 280,227	\$ (65,062)

AVERAGE	ADJUSTMENTS					LOW POINT			MIDPOINT			HIGH POINT		
	PER BOOKS	NON-UTILITY	ADJUSTED BOOKS	PRO-RATA	SPECIFIC	BALANCE	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	
COMMON EQUITY	\$372,321	\$0	\$372,321	\$0	\$0	\$372,321	33.07%	10.00%	3.31%	11.00%	3.64%	12.00%	3.97%	
LONG TERM DEBT	\$267,315	\$0	\$267,315	\$0	\$0	\$267,315	23.74%	3.84%	0.91%	3.84%	0.91%	3.84%	0.91%	
SHORT TERM DEBT	\$168,785	\$0	\$168,785	\$0	\$0	\$168,785	14.39%	2.39%	0.36%	2.39%	0.36%	2.39%	0.36%	
SHORT TERM DEBT REFINANCED LTD	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
CUSTOMER DEPOSITS	\$22,437	\$0	\$22,437	\$0	\$0	\$22,437	1.99%	0.39%	0.01%	0.39%	0.01%	0.39%	0.01%	
DEFERRED INCOME TAXES	\$294,984	\$0	\$294,984	\$0	\$0	\$294,984	26.20%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
TAX CREDITS - WEIGHTED COST	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	4.58%	0.00%	4.91%	0.00%	5.24%	0.00%	
TOTAL AVERAGE	\$1,125,842	\$0	\$1,125,842	\$0	\$0	\$1,125,842	100.00%	4.59%	4.92%	4.92%	5.25%	5.25%	5.25%	

YEAR-END	ADJUSTMENTS					LOW POINT			MIDPOINT			HIGH POINT		
	PER BOOKS	NON-UTILITY	ADJUSTED BOOKS	PRO-RATA	SPECIFIC	BALANCE	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	
COMMON EQUITY	\$385,995	\$0	\$385,995	\$0	\$0	\$385,995	32.53%	10.00%	3.25%	11.00%	3.58%	12.00%	3.90%	
LONG TERM DEBT	\$282,658	\$0	\$282,658	\$0	\$0	\$282,658	23.82%	3.60%	0.86%	3.60%	0.86%	3.60%	0.86%	
SHORT TERM DEBT	\$184,949	\$0	\$184,949	\$0	\$0	\$184,949	15.59%	2.16%	0.34%	2.16%	0.34%	2.16%	0.34%	
SHORT TERM DEBT REFINANCED LTD	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
CUSTOMER DEPOSITS	\$23,072	\$0	\$23,072	\$0	\$0	\$23,072	1.94%	0.38%	0.01%	0.38%	0.01%	0.38%	0.01%	
DEFERRED INCOME TAXES	\$309,964	\$0	\$309,964	\$0	\$0	\$309,964	26.12%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
TAX CREDITS - WEIGHTED COST	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	4.45%	0.00%	4.78%	0.00%	5.10%	0.00%	
TOTAL YEAR-END	\$1,186,638	\$0	\$1,186,638	\$0	\$0	\$1,186,638	100.00%	4.46%	4.79%	4.79%	5.11%	5.11%	5.11%	